



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

Upon entering 2004, the Panhandle was experiencing significant job growth. The year before, it still was struggling to emerge from the shadow of the U.S. economic slowdown. That's one reason why the January 2003 seasonally adjusted unemployment rate of 8.8 percent was considerably higher than the 7.4 percent rate a year earlier.

In addition, between January 2003 and January 2004, the Panhandle *Nonfarm Payroll Jobs* grew 1.8 percent, adding 1,200 *Nonfarm Payroll Jobs*. For details, see Panhandle Table 1.

The critical *Goods-Producing Sector*—source of many jobs that drive the local economy—added 340 jobs between January 2003 and January 2004 and promises to add considerably more jobs in the coming months. Because of last summer's closure of the 140-worker Louisiana-Pacific mill in Bonners Ferry and the December layoff of 67 workers at Stimson Lumber's Atlas mill in Coeur d'Alene, *Wood Product Manufacturing* lost 160 jobs. In January 2003, lumber and plywood prices still were near 10-year lows, causing reduced work at many mills. Since then, prices for lumber and especially plywood have risen. So *Wood Product* probably will add a few jobs in the coming months.

Other Manufacturing businesses added 60 jobs between January 2003 and January 2004. By the fall of 2003, *Manufacturing* had recovered to its 2001 level. The manufacturing industries showing the strongest gains over the 12-month period were plastics, aircraft, and electronics. Low mortgage rates and continued population growth have brought residential construction to exceptionally high levels during the last two years. A variety of commercial, school, and highway projects in 2003 boosted *Construction* employment 8.6 percent between January 2003 and January 2004. Barring spikes in mortgage rates, *Construction* should continue to boom in 2004. Indus-

Panhandle Table 1: Labor Force & Employment

	Jan 2004*	Dec 2003	Jan 2003	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	92,670	91,770	91,880	1.0	0.9
Unemployed	6,810	6,670	8,060	2.1	-15.5
% of Labor Force Unemployed	7.4	7.3	8.8		
Total Employment	85,860	85,100	83,820	0.9	2.4
Unadjusted					
Civilian Labor Force	91,950	92,090	91,240	-0.2	0.8
Unemployed	8,850	7,430	10,170	19.1	-13.0
% of Labor Force Unemployed	9.6	8.1	11.1		
Total Employment	83,100	84,660	81,070	-1.8	2.5
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	67,180	69,570	65,980	-3.4	1.8
Goods-Producing Industries	12,670	13,540	12,330	-6.4	2.8
Natural Resources & Mining	1,500	1,620	1,390	-7.4	7.9
Construction	4,180	4,890	3,850	-14.5	8.6
Manufacturing	6,990	7,030	7,090	-0.6	-1.4
Wood Product Manufacturing	2,670	2,660	2,830	0.4	-5.7
Other Manufacturing	4,320	4,370	4,260	-1.1	1.4
Service-Providing Industries	54,510	56,030	53,650	-2.7	1.6
Trade, Transportation, & Utilities	13,560	14,040	13,190	-3.4	2.8
Wholesale Trade	1,340	1,380	1,320	-2.9	1.5
Retail Trade	10,440	10,910	10,070	-4.3	3.7
Utilities	380	380	380	0.0	0.0
Transportation & Warehousing	1,400	1,370	1,420	2.2	-1.4
Information	1,090	1,130	1,100	-3.5	-0.9
Financial Activities	2,840	2,890	2,770	-1.7	2.5
Professional & Business Services	5,790	6,120	6,240	-5.4	-7.2
Educational & Health Services	6,960	7,040	6,580	-1.1	5.8
Leisure & Hospitality	7,520	7,760	7,380	-3.1	1.9
Other Services	2,100	2,090	2,180	0.5	-3.7
Government Education	5,120	5,260	4,930	-2.7	3.9
Government Administration	8,240	8,410	8,170	-2.0	0.9
Government Tribes	1,290	1,290	1,110	0.0	16.2

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

trial construction will be boosted by construction of the Sysco facility and the Buck Knives plants in Post Falls, expected to start in the next month. *Natural Resources & Mining* was 110 jobs higher in January 2004 than the same month the year before. Logging employment was about 70 jobs higher. Approximately half of logging's increase resulted from better weather for logging in January 2004 than in January 2003, when rainy weather and the resulting muddy roads idled many loggers. The other half of logging's 70 new jobs reflected increased demand for logs since lumber prices rose. *Mining* added about 40 jobs as silver prices rose. The Lucky Friday Mine near Mullan has been adding workers, and a team now is exploring the defunct Sunshine Mine to determine whether to re-open it. The Galena Mine also expects to increase employment during 2004.

In an unusual turn of events, the *Service-Providing* sector grew more slowly than the *Goods-Producing* sector. The *Service-Providing* sector grew 1.6 percent from January 2003 to January 2004. Job losses in call centers (part of *Professional & Business Services*) and nonprofit organizations (part of *Other Services*) offset job gains in other industries. The call center job losses came from last summer's closure of the Tele-Servicing Innovations (TSI) call center in January 2003, which employed 110 people in Smelterville, and the loss of about 500 jobs at the Center Partners call centers in Coeur d'Alene and Post Falls since January 2003. Fortunately, most of those job losses were erased in February 2004 when Verizon began hiring 300 people for its new call center in Coeur d'Alene, Center Partners reopened its Coeur d'Alene call center with more than 200 workers, and Northpoint Financial Group opened a call center with 15 employees in the former TSI building in Smelterville.

The Panhandle's *Retail Trade* sector, which floundered in the doldrums in 2002, added 370 jobs between January 2003 and January 2004. Retail stores benefited from rising incomes, strong population growth, more tourism (especially this ski season compared to the last ski season), and a change in the exchange rate that is bringing more Canadians here to shop and play. Those factors are expected to continue to increase *Retail Trade* employment during the next few months. In addition, the opening of the Coeur d'Alene Costco in mid-April will add 150 retail jobs. Despite the improving job outlook, many Panhandle residents still are eager for job opportunities. About 3,000 people applied for the Costco jobs.

AREA DEVELOPMENTS

Benewah County

- Cabin City Pizza and More—a restaurant seating 65 and serving burgers, sandwiches, salads, espresso, ice cream, deli items, pizza, beer, and wine—opened in February. The restaurant is located next to the Cabin City gas station and convenience store that also is owned by the Haeg family.
- Fort Hemenway Manor Bed & Breakfast in St. Maries currently is being refurbished after being closed for a few months. New owner Gil Babeaux is adding wool carpets and fine furniture, including a couch that curves around the fireplace. By Easter, the 100-year-old house at 1001 West Jefferson Avenue will reopen as a four-bedroom bed and breakfast.
- Stubby Lake Smoke Shop recently opened on the east side of Highway 95 in Plummer, a city of 1,000 residents on the Coeur d'Alene Reservation.

Bonner County

- Montana Rockies Rail Tours, based in Sandpoint, recently was named the best rail tour company in

North America by North American Travel Journalists Association for the second year in a row. From May through September, the tour takes passengers 478 breath-taking miles from Sandpoint to Livingston, Montana, in restored 1940s railcars.

- Sandpoint, a city of 7,200 residents, recently welcomed Northern Blue Clothing—a women's clothing store at 119 North First—and Sandpoint Physical Therapy & Aquatic Center.

Boundary County

- In late 2003, Zane Dittmann opened the Coffin Shop in Bonners Ferry, a city of 2,640. He makes handcrafted rustic coffins from pine, larch, or cedar, and sells them directly to the public.

Kootenai County

- As a rule, Spokane County businesses are more likely to move to Kootenai County than the other way around. Cascade Furniture Manufacturing is the exception, however. The furniture manufacturer that employed 13 people in Hayden recently moved to Spokane Valley where it has a larger space and better access to its suppliers in the Spokane area. The manufacturer makes desks, nightstands, and credenzas for the lodging industry.
- A few weeks later, another Hayden manufacturer of furniture for the lodging industry announced it was expanding. Hospitality Manufacturing—a 14-year-old maker of furniture for hotels, hospitals, and schools—currently is located in two buildings totaling 12,000-square feet. This winter, it broke ground on a 16,000-square-foot building at 2321 West Dakota. In 2003 it added five employees bringing total employment to 12 people. After it moves into its new building in March, the company will hire four more employees.
- Advanced Input Devices (AID), the Panhandle's largest electronics company, laid off 20 employees in early March bringing its employment to 300. The layoff resulted from a slowdown in AID's sales to medical businesses.
- Jobs Plus, the Kootenai County organization that recruits businesses to Kootenai County, facilitated the relocations of Empire Airlines, All Seasons, and Verizon mentioned in last month's newsletter. In January, the group convinced North Idaho College (NIC) to discount tuition for the employees of business that move to Kootenai County and the employees' spouses and children. These individuals would be able to pay only the \$848 tuition for residents, forgoing the additional \$2,000 newcomers are required to pay the first year they live in Idaho.

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nancial Management, Office of the Governor. The forecast is published four times a year and is available online at: <http://www2.state.id.us/dfm/ief/Forecast.html>.

IDAHO TOPPED NATION IN STATE PERSONAL INCOME GROWTH RATE

The U.S. Bureau of Economic Analysis (BEA) recently released its preliminary estimates of State Personal Income for the 3rd quarter (July-Sept.), 2003. Idaho's Personal Income increased by 2.2 percent from the previous quarter. This percent change was the highest of any state and double the national percent change of 1.1 percent. The value of the change is estimated to be \$763 million. In contrast to the 2.2 percent change from the 2nd to the 3rd quarter, the change between the 1st quarter 2003 to the 2nd quarter 2003 was only 0.5 percent. BEA stated that increased farm earnings were the primary reason for Idaho's growth rate.

Idaho's Total Personal Income as of the 3rd quarter 2003 was estimated to be \$35,586 million. This amount is only 0.4 percent of the nation's Total Personal Income.

FYI Table 2: Annual Average Unemployment Rate

State	2002	2003
Alaska	7.7	8.0
Arizona	6.2	5.6
California	6.7	6.7
Colorado	5.7	6.0
Idaho	5.8	5.4
Montana	4.6	4.7
Nevada	5.5	5.2
New Mexico	5.4	6.4
Oregon	7.5	8.2
Utah	6.1	5.6
Washington	7.3	7.5
Wyoming	4.2	4.4

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- Golf Digest selected The Club at Black Rock's golf course as the best new private course of 2003. The Club at Black Rock, developed by Marshall Chessown, is an upscale development with 375 home sites centered on the golf course and overlooking Lake Coeur d'Alene's Rockford Bay.
- Harrison, a town of 270 residents on the south side of Lake Coeur d'Alene, recently celebrated the opening of The Landing, a restaurant in the former Rose Café building. The Landing serves breakfast, lunch, and dinner.
- Dalton Gardens, a city of 2,300 residents between Coeur d'Alene and Hayden, recently welcomed As Seen on TV & Unique Gift store at 6880 Government Way. The store features kitchen gadgets, garden equipment, and other items featured in infomercials.
- Rathdrum, a city of 5,200 residents 12 miles northwest of Coeur d'Alene, recently welcomed Aspen Leaf Floral and Gift at 6600 West Commercial Avenue; Rathdrum Clinic Family Practice, featuring medical doctor Michael Whitting and massage therapist Susan Whitting, at 14755 North Kimo Court; and Rathdrum Physical Therapy in the same building as the medical practice.

Shoshone County

- Wallace, a city of 900 residents, received a grant from the Idaho Heritage Trust to help repair the city's historic swimming pool. Built in 1939 as a federal public works project, the pool has served generations of Wallace children.
- Mark Schram and his wife Carey opened a manufacturing plant last fall that makes tent camper trailers in Osburn, a city of 1,500 residents. With assistance from the Silver Valley Economic Development Corporation, the Schrams secured some economic development grant monies and started El Shaddai Manufacturing. Currently, they employ two people who make everything for the trailers except the axles and wheels. The trailers include tents that can be opened in 30 seconds, a bed, and a cargo area that can be accessed from outside and inside the camper.
- Cindy Choat recently opened Cinderella's Cottage at 255 East Oregon Street in Mullan, a city of 800 residents. She makes and sells ceramics, soaps, bath salts, ceramic tiles, perfumes, and glass pieces.

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